



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0422 Date: July 11, 2022
Prime Sponsors: Rep. Bird; Bacon Bill Status: Signed into Law
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Bill Topic: DORA BARRIERS TO PRACTICE REGULATED PROFESSIONS

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires that DORA audit the occupations they regulate to determine barriers to entry for individuals with a criminal history, and specifies procedures for denying a professional license, certification, or registration. The bill increases state expenditures in FY 2022-23 only and increases state workload on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires and includes an appropriation of \$11,036 to the Department of Regulatory Agencies.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 22-1098

Table with 3 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts.

## Summary of Legislation

The bill makes several changes regarding the criminal history records of individuals applying for a professional license, certification, or registration.

**Audit of DORA programs.** The bill requires the Department of Regulatory Agencies (DORA) to complete an audit by June 1, 2023, of the various occupations it regulates to determine whether any barriers to professional licensing, certification or registration exists due to an applicant’s criminal history record. In addition, DORA must make recommendations on any solutions to the barriers identified, and report on the number of licenses, certifications, or registrations that were denied as a result of the barriers. DORA must submit the results of the audit to the General Assembly by July 1, 2023.

**DORA denial of license due to criminal history.** Under the bill, if DORA denies a license, certification, or registration based on an applicant’s criminal history record, DORA must document the grounds for denial and submit the grounds in writing to the applicant. The bill clarifies that DORA may grant a conditional license, certification, or registration to an applicant with a criminal record if allowed under current law.

Finally, the bill requires DORA to compile de-identified information regarding the reasons why a license, certification, or registration was denied due to criminal history record, and make that information available on DORA’s website.

**State and local regulatory agencies.** Before a state or local agency makes a final determination that a criminal history disqualifies an applicant, the agency must provide an applicant with a written notice that a criminal conviction will disqualify an applicant and notify them of their right to submit additional evidence. If the agency makes a final determination that a criminal conviction will prevent an applicant from receiving a license, the agency must provide the determination in writing and issue a notice of the right to appeal the determination.

## State Expenditures

The bill increases state cash fund expenditures in DORA by \$15,077 in FY 2022-23 only and will increase workload on an ongoing basis. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1098**

<b>Cost Components</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$11,036	-
Centrally Appropriated Costs <sup>1</sup>	\$4,041	-
<b>Total</b>	<b>\$15,077</b>	<b>-</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>-</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Regulatory Agencies.** DORA will have a one-time costs in FY 2022-23 and a minimal increase in ongoing workload, as described below.

- **Compliance audit.** In FY 2022-23 only, DORA requires 0.2 FTE to audit all the practice acts under DORA and to write a report. The fiscal note assumes that it will take 10 hours to review each of the 37 practice acts and 25 hours to write the report. Staffing costs are shown in Table 2 and assumes a September 1 starting date for staff.
- **Documentation of denials.** Starting in FY 2022-23, workload within DORA will increase to provide written notice to persons who are denied a license due to criminal history. In FY 2022-23 only, DORA will also make minor upgrades to its licensing system to track this information for reporting purposes. The fiscal note assumes that this additional work can be accomplished as part of current operations and no change in appropriations is required.
- **Legal services.** DORA will require up to 100 hours of legal services, provided by the Department of Law. This increase in legal services costs is accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical use of legal services. No change in appropriations is required.

**Other state agencies.** Currently, many state agencies administer regulatory programs that require minimum licensing and certification standards be met, including the Departments of Revenue and Education. Workload in these agencies will increase to handle the written notice requirements in the bill.

In FY 2022-23, various state agencies may require up to 100 hours of legal services from the Department of Law for general guidance on how the bill interacts with other statutory requirements. The fiscal note assumes that this increase in legal services costs is accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical use of legal services. No change in appropriations is required.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Effective Date

The bill was signed into law by the Governor on May 25, 2022, and takes effect on August 9, 2022, assuming no referendum petition is filed.

## State Appropriations

For FY 2022-23, the bill requires and includes an appropriation of \$11,036 and 0.2 FTE from the Professions and Occupations Cash Fund to the Department of Regulatory Agencies.

**State and Local Government Contacts**

Counties  
Human Services  
Municipalities  
Revenue

Education  
Judicial  
Personnel

Information Technology  
Law  
Regulatory Agencies